

Application Review, Processor Costs, and Other Changes Without Regulatory Effect  
Permanent Regulations Effective May 13, 2005

TITLE 14. NATURAL RESOURCES  
DIVISION 2. DEPARTMENT OF CONSERVATION  
CHAPTER 5. DIVISION OF RECYCLING

Legend:

Underline: Permanent Additions

~~Strikeout:~~ Permanent Deletions

SUBCHAPTER 2. GENERAL REQUIREMENTS

Article 1. Certification Application Procedures

§2030. REVIEW OF APPLICATIONS.

(a) All applications for certification shall be reviewed by the Division for compliance with these regulations.

(b) The Division shall periodically conduct field investigations to verify the accuracy of information contained in the certification application and explain program requirements.

(c) The Division shall notify the applicant in writing within fifteen (15) working days of receipt of the application, or receipt of additional information if the application was initially incomplete, that it is either:

- (1) Complete and accepted for further review, or
- (2) Incomplete and the reasons for the incompleteness.

(d) Upon determining that an application is complete, the Division shall notify the applicant in writing within forty-five (45) calendar days that such application is either:

- (1) Approved,
- (2) Approved with a probationary status, or
- (3) Denied and the reasons for denial.

(e) In determining whether the operator is likely to operate in accordance with these regulations, the Division shall review the certification history of the operator and other individuals identified in the application as responsible for the recycling center, processing facility, dropoff or collection program, or community service program operation.

(f) The Division shall review its records to determine whether one or more certified entities have operated within the past five years at the same location that is the subject of an application for certification of a recycling center or processor. If one or more entities have operated at the same location, the Division shall review the certification history of the entity or entities certified at the same location within the past five years and determine whether the operations at the location exhibit, to the Division's satisfaction, a pattern of operation in compliance with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder.

(g) Reasons for denial of applications may include, but shall not be limited to, any of the following:

- (1) Failure to provide information or documentation to complete the application as stipulated in section 2045 and 2055 of these regulations;
- (2) The operator is unwilling to accept and redeem all beverage container types;
- (3) The recycling center operator does not agree to be open for business at least thirty (30) hours per week, five (5) of which are other than from 9 a.m. to 5 p.m. on Monday through Friday;

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(4) The operator's certification history demonstrates outstanding fines, penalties, or audit findings;

(5) The operator's certification history discloses decertification of a recycling center, processing facility, dropoff or collection program, or community service program within the past two-year period;

(6) The operator's certification history demonstrates a pattern of operation in conflict with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder; or

(7) For applications for certification of recycling centers or processors, the certification history of one or more entities certified at the same location within the past five years fails to demonstrate to the Division's satisfaction a pattern of operation in compliance with the requirements of the California Beverage Container Recycling and Litter Reduction Act, including all relevant regulations adopted thereunder.

(h) Notwithstanding paragraph (3) of subsection (g) above, the Division may allow the applicant to operate less than 30 hours per week if all of the following conditions are met:

(1) the recycling center will be located in a designated rural region; and

(2) the recycling center will not be located within a convenience zone; and,

(3) ~~the Division conducts a public hearing which will consider consumer convenience, the economic impact on existing certified recycling centers, public health and safety, local zoning requirements, neighborhood opinion, and any other relevant factors.~~ the proposed operating hours will not significantly decrease the ability of consumers to conveniently return beverage containers for the refund value to a certified recycling center redeeming all material types.

Authority: Sections 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14511.7, 14538, 14539, 14540, 14541 and 14571, Public Resources Code.

## SUBCHAPTER 4. DISTRIBUTORS

### Article 1. Distributor Requirements

#### §2305. RECORDKEEPING.

A distributor shall maintain the following records by individual sale or transfer and in accordance with the general requirements set forth in section 2085 of subchapter 2 of these regulations.

(a) Receipt of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers received, including all containers which bear the message as required in Section 14561 of the Act. The records shall contain all of the following information:

(1) The quantity received by material type, of beverage containers, including all containers which bear the message as required in Section 14561 of the Act;

(2) The full name and address of the beverage manufacturer or other originating person; and

(3) The date the beverage containers, including all containers which bear the message as required in Section 14561 of the Act, were received by the distributor.

(b) Sale or Transfer of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers, including all containers which bear the message as required in Section 14561 of the Act on all CRV beverage containers, and refillable beverage

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containers sold or transferred to other distributors, dealers, or consumers. The records shall contain all of the following information:

(1) The quantity by material type of all beverage containers, including all containers which bear the message as required in Section 14561 of the Act, and refillable beverage containers;

(2) The full name and address (and the shipping or destination name and address, if different) of the dealer, consumer, or other distributor to whom the beverage containers, including refillable beverage containers and containers which bear the message as required in Section 14561 of the Act, were sold or transferred; and

(3) The date(s) the beverage containers, including all the containers which bear the message as required in Section 14561 of the Act, and refillable beverage containers, were sold or transferred.

(c) The Distributor Report, DR-3, (1/04) and Payments to the Division. A distributor shall maintain the DR-3 (1/04) and payment records prepared pursuant to sections 2310 and 2320 of this subchapter.

(d) Rejected Containers. A distributor shall maintain records of any recycling, processing, or other disposition of rejected containers and any payments therefor. These records shall include receipts or statements signed by the recycling center, processor, or other recipient. Such receipts shall state the weight by material type of the rejected containers and any payment made or credit granted therefor.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5, 14537, 14550(b) and (c), 14561, ~~14571.9~~ and 14572.5, Public Resources Code.

#### §2310. REPORTING.

(a) A distributor shall prepare and submit to the Division the Distributor Report, DR-3 (1/04) in accordance with the general requirements for reporting contained in section 2090 of these regulations.

(1) The DR-3 (1/04) for sales or transfers of all beverage containers, except beer and malt beverage containers, shall be submitted no later than the tenth day of the second month following the month of sales. For example, sales of January 2000 shall be reported on March 10, 2000, sales of February 2000 shall be reported on April 10, 2000, sales of March 2000 shall be reported on May 10, 2000, etc.

(2) The DR-3 (1/04) for sales or transfers of all beer and malt beverage containers shall be submitted no later than the last day of the third month following the month of sales. For example, sales of January 2000 shall be reported on April 30, 2000; sales of February 2000 shall be reported on May 31, 2000; sales of March 2000 shall be reported on June 30, 2000; etc.

(3) The DR-3 (1/04) shall contain all of the following information:

(A) The distributor's name, address, contact person, and telephone number of the contact person.

(B) The distributor's assigned identification number, specific to the beverage type reported. A report of sales or transfers of beer and malt beverage containers shall include an assigned identification number with the prefix "DB". A report of sales or transfers of beverage containers other than beer and malt beverage containers shall include an assigned identification number with the prefix "DS". A separate DR-3 (1/04) shall be submitted for each "DB" and "DS" identification number.

(C) The reporting period;

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(D) The total number and total empty weight of beverage containers, by material type and size, including all containers which bear the message as required in Section 14561 of the Act, sold or transferred;

(E) The total number of beverage containers identified in subparagraph (C);

(F) Redemption payment and administrative fee:

1. The redemption payment for each material type by size, and
2. The total redemption payment,
3. The administrative fee deducted, and
4. The total due to the Division;

(G) The total number and total empty weight of refillable beverage containers sold, transferred, and returned to the distributor. Each of these items shall be reported by material type; and

(H) The signature of an authorized representative and date signed.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5, 14550 (b) and (c), 14560, 14561, ~~14571.9~~ and 14574, Public Resources Code.

## SUBCHAPTER 6. RECYCLING CENTERS

### Article 1. Requirements for Recycling Centers

#### §2505. NOTIFICATION REQUIREMENTS.

(a) Notwithstanding the requirements of section 2040 of these regulations, certified recycling centers shall notify the Division in writing ten (10) calendar days prior to any of the following events:

- (1) Change of name under which the recycling center is doing business,
- (2) Change of business address, mailing address or phone number of operator,
- (3) Separation from parent company, if applicable,
- (4) Merger with another company,
- (5) Discontinuance of operation,
- (6) Dissolution of the organization type identified in the application for certification,
- (7) Change in the type of redeemable beverage containers accepted,
- (8) Any change in the hours of operation as presented in the application for certification or by subsequent notification to the Division,

(9) For recycling centers which consist of reverse vending machines, a change in the method approved by the Division for redeeming empty beverage containers which are odd-sized, made of materials other than aluminum, glass, and plastic, or otherwise not accepted by the reverse vending machine,

- (10) Change in the agent for service of process, if applicable,
- (11) Change in the type of organization,
- (12) Change in the name of the contact person for the operator,
- (13) Change in corporate officers, if applicable,
- (14) Change in the name of the organization,
- (15) Any change in business ownership.

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(b) Within five (5) calendar days of the date the recycling center began redeeming empty beverage containers, the operator of the recycling center shall notify the Division in writing of the actual date the recycling center began redeeming. Failure to do so or to provide an accurate date will result in denial of handling fee payments for the months the operator failed to notify, or provide an accurate date to, the Division.

(c) The operator of a supermarket site shall notify the Division in writing, within ten (10) working days, of the closure of the supermarket or dealer where the recycling center is located.

(d) The operator of a certified recycling center who intends to be decertified shall submit a written notification to the Division, which includes the proposed effective date.

(e) The operator of a supermarket site shall notify the Division in writing, within five (5) calendar days, if the recycling center is moved within the supermarket or dealer parking lot. Nothing in this section is intended to require a recycling center to report to the Division movement related to the emptying of recycling equipment.

Authority: Section 14536(b), Public Resources Code. Reference: Section 14515.6, 14526.6, 14538, ~~14542(e)~~, 14571(d), ~~14571.9~~ and 14585, Public Resources Code.

## SUBCHAPTER 12. DOR REQUIREMENTS

### Article 2. Processing Fees and Processing Payments

#### §2960. ALLOWABLE COSTS FOR RECYCLING CENTERS.

(a) ~~Prior to January 1, 2004~~ On and after January 1, 2004, and every ~~third~~ second year thereafter, the Division shall survey a statistical sample of recycling centers to determine statewide average allowable costs per container type.

(b) Allowable costs for calculation of the processing fee and processing payment shall include the actual costs of receiving, handling, processing, and storing and transporting postfilled beverage containers. Allowable costs also include maintaining equipment necessary for the above activities. More specifically these costs shall include, but not be limited to:

- (1) labor,
- (2) property taxes,
- (3) depreciation,
- (4) utilities,
- (5) supplies,
- (6) fuel,
- (7) insurance,
- (8) interest,
- (9) general business overhead exclusive of administrative costs,
- (10) facilities and equipment rent or lease,
- (11) maintenance,
- (12) transportation,
- (13) disposal costs.

(c) The scrap price paid to the consumer by the recycling center shall not be included in allowable costs.

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Authority: Section 14530.5(b), Public Resources Code. Reference: Sections 14518.5, 14526, 14573.5 and 14575(a), (b), (c) and (k), Public Resources Code.